

Inflight Negotiations Update – July 15, 2015

- United provides comprehensive economic framework for a joint agreement
- AFA so far unwilling to adopt terms accepted by other work groups

Flight attendants have responded enthusiastically to United's recent negotiations updates. Common sentiments include "we appreciate the information," "thanks for the explanations," and "just get it done." While some flight attendants welcome United's proactive communications, others express mixed feelings. A few simply parrot AFA tag-lines like "flight attendants won't pay for the merger" and "the time is now."

United agrees: the time to finish a joint collective agreement is now. The parties have worked for more than a year to establish respectful relationships, solve problems and develop reasonable options for combining the existing contracts. We have reached tentative agreement on significant parts of a new contract, and it's time for United and AFA to put the entire agreement together and take it over the finish line. United is pushing toward that goal and proposed a detailed economic framework this week. Now, it's AFA's turn.

AFA and United don't yet agree on the economics, but the notion that United is asking flight attendants to "pay for the merger" or proposing a "concessionary" contract is just plain false. The company has stated in clear terms – with a detailed economic framework and financial analysis to back it up – that it is prepared to provide our flight attendants with an industry-leading joint agreement. AFA, on the other hand, hasn't provided an economic framework or financial analysis of its own, but instead only suggests the company isn't really interested in reaching agreement. That's a predictable claim and easy sound-bite, as it doesn't require any facts to back it up. But it's just not true.

United has reached four separate collective agreements with flight attendants since 2011, and United's track record with other unions shows the company wants – and knows how to achieve – joint agreements, including agreements with pilots, dispatchers, ramp service employees, customer service and reservations agents, storekeepers, load planners, fleet technical instructors and maintenance instructors.

So, why isn't the deal with AFA done yet? To be fair, everyone at the bargaining table must take responsibility for the results. But here are some key facts that explain where we are today and why we have not yet been able to reach agreement.

All of the joint agreements United has reached with its represented work groups have the following elements in common:

- The agreements eliminated disparities between the higher s-CO/CMI and lower s-UA pay rates, and all employees received pay raises
- The agreements closed the gaps between higher s-CO/CMI and lower s-UA productivity, and we developed common work rules to better align with our major competitors

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- Healthcare (medical and dental) plans were transitioned to reflect an industry-standard 80/20 cost share, and the agreements eliminated “free” HMO plans benefiting only a minority of the population
- The agreements kept retirement and pension plans essentially “status quo,” while increasing certain contributions to more closely align benefits for each subsidiary’s employees
- We reached compromises that preserved, modified or discarded specific features of the prior contracts in order to keep overall labor costs in line with our major competitors and ensure one workgroup did not receive a “windfall” at the expense of other groups

Working within these parameters, each work group was able to achieve its own balance of pay, benefits and productivity to find common ground with United on agreements that were fair to employees and fair to the company. The AFA joint negotiating committee has not yet embraced all of these elements and has been unwilling or unable to make the fair and appropriate compromises necessary to move forward. Once the JNC comes to terms with these basic principles – which every other work group with a joint agreement has already accepted – United will be ready, willing and able to close the deal promptly.